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July 12, 2007

Honorable James H. Welsh
Commissioner of Conservation
State of Louisiana
Post Office Box 94275
Baton Rouge, Louisiana 70804-9275

Mailing Address:
P.O. Drawer 1126
Shreveport, LA 71163-1126

WM. TIMOTHY ALLEN, III
Direct: 318.934.0217
Email: tallen@bwor.com

RE: HEARING APPLICATION
Haynesville Zone, Reservoir A
Cotton Valley Formation, Reservoir A
Hosston Formation, Reservoir A
Pettit Formation, Reservoir A
Caspiana Field
Caddo Parish, Louisiana
Our File No. 230765.0108

Dear Sir:

On behalf of CHESAPEAKE OPERATING, INC., application is hereby made for a public hearing to receive evidence concerning the issuance of an order pertaining to the following matters relating to the Haynesville Zone, Reservoir A, Cotton Valley Formation, Reservoir A, Hosston Formation, Reservoir A, and Pettit Formation, Reservoir A, in the Caspiana Field, Caddo Parish, Louisiana:

1. To establish rules and regulations and create a single drilling and production unit (to be designated as HA RA SUA) for the exploration for and production of gas and condensate from the Haynesville Zone, Reservoir A, in the Caspiana Field, Caddo Parish, Louisiana, as shown on the plat attached hereto.
2. To force pool and unitize all separately owned tracts, mineral leases, and other property interests within the proposed HA RA SUA, with allocation of production from the unit well to the tracts within such unit therefor to be on the basis of surface acreage.
3. To permit the Applicant to drill, designate and utilize the Chesapeake Operating, Inc. - Williams 22 No. 3 Well, at the location shown on the plat attached hereto, as the unit well for the proposed HA RA SUA, and to designate Chesapeake Operating, Inc. as the operator of said unit;
4. To provide that future wells drilled to the Haynesville Zone, Reservoir A, in the Caspiana Field, Caddo Parish, Louisiana, shall be located in accordance with Statewide Order No. 29-E;
5. To redefine the Cotton Valley Formation, Reservoir A, in the Caspiana Field, INsofar AND ONLY INsofar AS TO CV RA SU88, as shown on the plat attached hereto, as being the stratigraphic equivalent of that gas and condensate bearing interval encountered between the depths of 8,895 feet and 10,910 feet (electrical log measurements) in the Chesapeake Operating, Inc. - SRLT 29 No. 1 Well, located in Section 29, Township 16 North, Range 15 West, Caddo Parish, Louisiana.

6. Except for the redefinition of the Cotton Valley Formation, Reservoir A, as set forth herein, to ratify, confirm and continue CV RA SU88 in full force and effect.
7. To permit the Applicant to drill, designate and utilize its Williams 22 No. 3 Well as an alternate unit well for CV RA SU88, HOSS RA SU95 and PET RA SUZZ, at the location shown on the plats attached hereto, in exception to the spacing provisions of Office of Conservation Order No. 191-A, effective February 15, 1975, Order No. 191-B, effective April 15, 1975 and Order No. 191-C, effective April 13, 1976;
8. To extend the provisions of Office of Conservation Order No. 191-20, effective April 18, 2000, to permit the downhole combination of the Haynesville Zone, Reservoir A with the Cotton Valley Formation, Reservoir A, Hosston Formation, Reservoir A, and Pettit Formation, Reservoir A, in the wellbore of any well drilled in HA RA SUA, CV RA SU88, HOSS RA SU95, and PET RA SUZZ in which the ownership and acreage is identical.
9. To consider such other matters and issue such orders as may be appropriate and justified by the evidence presented at the hearing.

Please note that the name of the Chesapeake - Williams 22 No. 2 Well has been changed to the Chesapeake - Williams 22 No. 3 Well, but the location is the same, as shown on the attached plats.

The Haynesville Zone, Reservoir A, in the Caspiana Field, and Caddo Parishes is defined as as being the stratigraphic equivalent of that gas and condensate bearing interval encountered between the depths of 10,910 feet and 11,487 feet (electrical log measurements) in the Chesapeake Operating, Inc. -SRLT 29 No. 1 Well, located in Section 29, Township 16 North, Range 15 West, Caddo Parish, Louisiana.

The Cotton Valley Formation, Reservoir A, in the Caspiana Field, Caddo and DeSoto Parishes, Louisiana, was initially defined in Office of Conservation Order No. 191-A, effective February 15, 1975, was further defined in Order No. 191-A-5, effective February 22, 1983, and was redefined in Order No. 191-A-131, effective April 18, 2006, but shall be redefined as set forth above.

The Hosston Formation, Reservoir A, in the Caspiana Field, Caddo, DeSoto, and Red River Parishes, Louisiana, was initially defined in Office of Conservation Order No. 191-B, effective April 15, 1975, and was redefined as to HOSS RA SU95 by Order No. 191-B-125, effective April 18, 2006.

The Pettit Formation, Reservoir A, in the Caspiana Field, Caddo, DeSoto, and Red River Parishes, Louisiana, was initially defined in Office of Conservation Order No. 191-C, effective April 13, 1976, and was redefined as to PET RA SUZZ by Order No. 191-C-6, effective April 18, 2006.

Pertinent data concerning the intended application will be made available for inspection at the offices of Blanchard, Walker, O'Quin & Roberts, 15th Floor, Chase Tower, 400 Texas Street, Shreveport, Louisiana 71101. Any person wishing to inspect such data should call Wm. Timothy Allen III at (318) 221-6858 during normal business hours or write Mr. Allen at the above address, in order to arrange a date and time for such inspection. A copy of any such pertinent data can be obtained at the expense of the requesting party.

A list of the names and addresses of all Interested Owners, Represented Parties and Interested Parties (as defined in the Rules of Procedure) is attached hereto, and a copy of this notice, with the annexed plats, is being sent to each of such persons. A reasonable effort has been made to determine that the enclosed list includes all of the persons to whom this notice must be sent under the Rules of Procedure.

By Pre-Application Notice dated June 20, 2007, applicant advised the Commissioner of Conservation, the District Manager and all Interested Owners, Represented Parties and Interested Parties of applicant's intention to apply for the hearing which is the subject of this application. Applicant received no request for a Pre-Application Conference, and accordingly, no conference was held.


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A check in the amount of \$3,020.00 made payable to the Commissioner of Conservation is enclosed herewith as the statutory fee for holding the requested hearing.

This application is being filed in duplicate, and a copy hereof is being sent to Mr. James C. Broussard, Shreveport District Manager of the Office of Conservation and to each Interested Owner, Represented Party and Interested Party whose name is shown on the attached list.

Very truly yours,

BLANCHARD, WALKER, O'QUIN & ROBERTS

By: 
Wm. Timothy Allen III
Attorneys for Chesapeake Operating, Inc.

WTAIII:kmw
Enclosures

cc: Mr. James C. Broussard, Shreveport
District Manager (w/enclosures)
cc: Interested Owners, Represented Parties
and Interested Parties (w/copy of plats only)

